

Annexure-8 to the Directors' Report

Business Responsibility Report 2019-20

[Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

Introduction:

Finolex Industries Limited (FIL) has adopted a stakeholder centric sustainability framework to strategically drive its sustainability initiatives. The disclosures made in this report provide transparent and relevant information on FIL's efforts and performance against the nine principles of Business Responsibility. Adopting best practices, FIL also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L40108PN1981PLC024153
2.	Name of the Company	FINOLEX INDUSTRIES LIMITED
3.	Registered address	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506 Maharashtra State, India.
4.	Website	www.finolexpipes.com
5.	Email id	investors@finolexind.com
6.	Financial year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 20131-PVC 22209-PVC Pipes & Fittings
8.	Three key products/services of the Company (as in balance sheet)	<ul style="list-style-type: none">• PVC• PVC Pipes & Fittings
9(i).	Number of international locations	Nil
9(ii).	Number of National locations	3 manufacturing units in India at Ratnagiri and Pune in Maharashtra State and Masar in Gujarat State
10.	Markets served by the Company – Local/State/National/International	National: Pan India

Section B: Financial Details of the Company

1.	Paid up capital (₹ Crores)	124.10
2.	Total turnover (₹ Crores)	2,985.98
3.	Total profit after taxes (₹ Crores)	324.20
4.	Total Spending of Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Budget: ₹ 9.52 Crores i.e. 2% (based on average net profits of last 3 financial years computed as per Section 198 of the Companies Act, 2013). Actual: ₹ 11.92 Crores
5.	List of CSR activities in which expenditure in above 4 has been incurred	The major areas in which CSR expenditure has been incurred include on: Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.

Section C: Other details

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participating in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D (1) : Business Responsibility Information

1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	01874086
	Director responsible for implementation of BR policies (Name)	Mr. Sanjay S. Math
	Director responsible for implementation of BR policies (Designation)	Managing Director
1.b.	BR Head (DIN, if applicable)	01874086
	BR Head (Name)	Mr. Sanjay S. Math
	BR Head (Designation)	Managing Director
	BR Head (Telephone number)	+91-2352-0238027-30
	BR Head (email id)	investors@finolexind.com

Section D (2): BR Information- Principle-wise (as per NVGs)

Principle 1

Policy on Ethics, Transparency and Accountability

Principle 2

Policy for providing goods and services that are safe, and contribute to sustainability throughout their life cycle

Principle 3

HR Policies for promoting the wellbeing of all employees

Principle 4

Protection of all stakeholders

Principle 5

Respect and Promotion of Human Rights

Principle 6

Safety Health and Environment Policy

Principle 7

Business when engaged in influencing public and regulatory policy should do so in responsible manner

Principle 8

Policy on Corporate Social Responsibility

Principle 9

Provide value to the customers and consumers in a responsible manner

Section D (2) (a): BR Information- Principle-wise (as per NVGs) BR Policy/Policies Details of Compliance (Reply in Yes/No)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for Principal wise index?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national /international standards? If yes, specify?	Yes	Yes Bureau of Indian standards (BIS)	Yes	Yes This policy conforms to guidelines of Companies Act, 2013	Yes	Yes	Yes	Yes	Yes
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	<p>The following policies are available on FIL's website. www.finolexpipes.com</p> <ul style="list-style-type: none"> • Policy on Sexual Harassment of Women at the Workplace • Whistle Blower Policy • Corporate Social Responsibility Policy • Nomination and Remuneration Policy • Related Party Transactions Policy • Policy on Board Diversity • Policy on Material Subsidiaries • Policy for determining materiality disclosures • Policy for preservation of documents • Code of Fair Disclosure and Conduct • Code of Conduct for Directors and Senior Management • Safety, Health and Environment Policy • Dividend Distribution Policy <p>The remaining policies being internal documents are only available to the respective stakeholders.</p>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the company have an in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<p>The respective departments (functional) heads are responsible for effective implementation of the policies. The Compliance/ Legal Department provides guidance in the adherence to implementation of the policies as and when required.</p>								

Section D (2)(b): If the answer to the question at serial number 1 against any principle is 'No', please explain why : (Tick up to 2 options) Not applicable

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on the specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have the financial/manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Other reasons (Please specify)	-	-	-	-	-	-	-	-	-

Section D (3): Governance related to Business Responsibility (BR)

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year	BR updation and upgradation is a continuous process. The management reviews and monitors the performance of the BR. The Board of Directors reviews the BR once a year.
b.	Does the Company publish a BR or a Sustainability Report? Is there a hyperlink to view the report? How frequently it is published?	BR Report Frequency: Annual BRR for the year 2019-20 is available at FIL's website : www.finolexpipes.com

Section E: Principle-Wise Performance

Principle No.	Description	Reported
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	Yes.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received complaints from 66 investors during the year 2019-20. There were no complaints pending from the investors at the beginning of the year 2019-20. All 66 complaints received during the year were redressed satisfactorily.

Principle No.	Description	Reported
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (A) PVC (B) PVC Pipes and Fittings	The Company is constantly taking efforts to achieve high standards towards environment and social concerns. Manufacturing process and end use of the products are environment friendly and comply with applicable environment norms. Social & Environmental risks have been addressed in the risk register while implementing integrated management system [Quality Management System (QSM), Environment Management System (EMS) and Occupational Health & Safety Management System (OHSMS)].
2.2	For each product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product(optional): Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? Has reduction during usage by consumers (energy, water) been achieved since the previous year?	The production processes of the Company are cost effective and use the scarce resources economically. Over past years, resource consumption is optimized to best levels. Currently targets are set and resource consumption is monitored strictly against targets. More than 50% of the effluent is recycled back to process.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. The PVC production of the Company is mainly captively consumed. The Company has taken various steps to minimize transportation cost. The Company continuously exercises and practices the recycling and reusing of waste. Nearly 100% of inputs are sourced sustainably, losses are kept to minimum
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. The Company has a policy of procuring goods and services from nearby suitable sources of supply. The Company ensures that it engages local villagers and small businesses around its plants in a variety of productive employment, especially through hiring vehicles, handling material, housekeeping and waste-handling contracts.
2.5	Does the company have a mechanism to recycle products and waste? If yes what percentage of recycled products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company has successfully achieved its goal for zero discharge of its treated effluent, by recycling close to 50% back in the system and by using the remaining for irrigation of tree plantation within the plant premises. The pipes and fittings manufacturing plants do not generate any process effluents and are free from pollution.
3.1	Please indicate the Total number of employees	There were 1,330 permanent employees on the rolls of the Company as on 31st March, 2020.
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	2,258
3.3	Please indicate the number of permanent women employees	There were 30 permanent women employees on the Company's payroll as on 31st March, 2020.
3.4	Please indicate the number of permanent employees with disabilities	NIL

Principle No.	Description	Reported	
3.5	Do you have an employee association that is recognized by the management	Yes. <ul style="list-style-type: none"> • Finolex Kamgar Sanghatana for Ratnagiri plant • Finolex Pipes Employees Union for Urse plant 	
3.6	What percentage of your permanent employees are members of this recognized employee association?	15.33%	
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the bend of the financial year.	NIL	
	No. Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1 Child labour/forced labour/involuntary labour	NIL	NIL
	2 Sexual harassment	NIL	NIL
	3 Discriminatory employment	NIL	NIL
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?	As a part of process safety management, all employees are covered under training. The training is a continuous process.	
(a)	Permanent Employees	100 %	
(b)	Permanent Woman Employees	100 %	
(c)	Casual/Temporary/Contractual Employees	100 %	
(d)	Employees with Disabilities	NIL	
4.1	Has the Company mapped its internal and external stakeholders? Yes / No	Yes	
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	All the stakeholders are important to the Company. It has internal processes to balance their expectations.	
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financial independent.	
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	All aspects of human rights are included in the Company's policy. The Company encourages the sharing of process and product innovations and extending it to benefit the industry and key members of its value chain.	
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company received complaints from 66 investors during the year 2019-20. There were no complaints pending from the investors at the beginning of the year 2019-20. All 66 complaints received during the year were redressed satisfactorily.	

Principle No.	Description	Reported
6.1	Does the policy related to Principle 6 cover only the company or does it extend to the Group / Joint Ventures/Suppliers/ Contractors/ NGOs/others.	The Company's environment, health and safety (EHS) policy covers the entire Company.
6.2	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for the webpage etc.	Yes. The Company is compliant with applicable pollution norms. The company takes initiative in tree plantation, energy conservation and water conservation including effluent recycling and rain water harvesting.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Ratnagiri plant has been assessed for quantitative risk and has prepared an on-site disaster management plan which is practiced regularly. Aspect and impact study of products and services and Social & Environmental risks have been addressed in the risk register while implementing integrated management system.
6.4	Does the company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company strives to minimize the impact of its operations and ensures in uses of natural resources in a responsible manner. An example is by replacement of MCT pump rotors, and de-staging of Boiler feed pumps the company saved more than 2900 MW annually and by replacing all HPMV and HPSV lighting by LED fixtures, the company save approx. 117 MW annually.
6.5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for web page etc.	The Company is committed to preserving the environment. The Company has taken up many projects for energy conservation, successfully implemented a project of de-staging of boiler feed pump to reduce heat rate.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The return/ reports are submitted to the authorities from time to time. Fly ash disposal is 100%.
6.7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is member of the following chambers: 1. Mahratta Chamber of Commerce, Industries and Agriculture 2. Indo-American Chamber of Commerce 3. Indo-German Chamber of Commerce 4. Indian Merchants' Chamber 5. Federation of Indian Chamber of Commerce and Industry.
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No.

Principle No.	Description	Reported
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education including vocation skills especially among children and women promoting women empowerment to better equip to work and to be financially independent and measures for reducing inequalities faced by socially and economically backward groups and rural development.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The programmes/projects undertaken by the Company in association with its CSR partner viz. Mukul Madhav Foundation.
8.3	Have you done any impact assessment of your initiative?	The Company has process of reviewing its CSR initiatives through internal arrangement and guidance of CSR committee and its CSR partner Mukul Madhav Foundation.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the financial year 2019-20 the Company has spent ₹ 11.92 Crores mainly in the area of Education, Health Care, Sanitation, Skill Developments, Social Welfare and Water Conservation.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, The Company through its CSR partner, Mukul Madhav foundation (MMF) continues to support initiatives to provide medical care necessary for children and villagers. Multiple interactions are held with communities through village meetings, meetings with local administration and officials from the respective departments to understand the primary necessities. The Company encourages regular feedback from the beneficiaries to continuously improve facilities and specialized services in locations where there is a demand.
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No major complaints/cases are pending at the end of the financial year.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. All mandatory information as per local laws is displayed on the product along with additional information on the usage of the product.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes. The customer satisfaction survey is carried out by the Company from time to time.